



City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor
Floyd Petersen, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: June 8, 2004
TO: City Council
VIA: Dennis R. Halloway, City Manager
FROM: Pamela Byrnes-O'Camb, City Clerk
SUBJECT: Minutes of May 25, 2004

RECOMMENDATION

It is recommended that the City Council approve the Minutes of May 25, 2004.

PENDING CITY
COUNCIL APPROVAL

City of Loma Linda

City Council Minutes

Regular Meeting of May 25, 2004

A regular meeting of the City Council was called to order by Mayor Gaio Hansberger at 5:55 p.m., Tuesday, May 25, 2004, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present: Mayor Karen Gaio Hansberger
Mayor pro tempore Floyd Petersen
Robert H. Christman
Stan Brauer
Robert Ziprick

Councilman Absent: None

Others Present: City Manager Dennis Holloway
City Attorney Richard E. Holdaway

CC-2004-060 – Closed Session

1. Public Employee Performance Evaluation (Government Code Section 56947)
 - a. City Attorney
 - b. Special Counsel
2. Conference with labor Negotiator Dennis R. Holloway pertaining to Meet and Confer process relating to San Bernardino Public Employees Association; Professional and Administrative Employees Association; Loma Linda Firefighters Local 3603; and Unrepresented Employees (Government Code Section 54957.6)

The City Council immediately recessed to consider the closed session items as listed, and reconvened at 7:08 p.m. with all members present.

City Attorney Holdaway announced that relating to Item 1, the City Council conducted its evaluation; relating to Item 2, the City Council met with its Negotiator and gave direction. There was no final action to report on either item.

Loma Linda University Controller Robert Frost led the invocation, and Councilman Christman led the Pledge of Allegiance.

CC-2004-061 – Items to be Added or Deleted

Councilman Ziprick asked that an item regarding property negotiations be added for consideration at a closed session, noting that negotiation sessions were held yesterday with representatives of Empire Homes and in his opinion it was necessary and urgent to inform the other City Council Members and to respond to negotiation issues. He then suggested that the findings be made to add the item to the agenda and that the closed session be held at the conclusion of the open session.

Mayor Gaio Hansberger declared a possible conflict of interest because her father-in-law was involved in the negotiations. Mayor pro tempore Petersen chaired the item.

City Attorney Holdaway stated that a four-fifths vote was required to place the item on the agenda. The item related to a conference with Legal Counsel and Real Property Negotiator per Government Code Section 54956.8. The property involved City-owned acreage south and westerly of the prolongation of Mt. View Avenue; the negotiating parties were Dennis R. Holloway and Leroy Hansberger representing H & E LaCresta, Inc. Under negotiation were the price and terms of payment.

He went on to say that the findings necessary to place the item on the agenda were that immediate action was necessary and that the necessity for action came to the attention of the City Council subsequent to the posting of the agenda. He noted that it was his understanding that the immediate need was to respond to negotiating positions that arose at yesterday's meeting.

Councilman Christman questioned the urgency of the issue.

City Manager Holloway noted that negotiations pertained to a portion of land within the Initiative Area; changes were proposed, which required voter approval; therefore, if the item was to be placed on the November 2004 ballot, time was of the essence.

Councilman Brauer stated that he owned property within the South Hills and asked the City Attorney if he, too, would have a conflict of interest. The City Attorney noted that Councilman Brauer's property was a

distance from the subject property; therefore, his vote would be acceptable for purposes of voting whether or not to add the item to the agenda. Councilman Brauer stated that he would vote concerning the urgency item, but would discuss the location of his property with the City Attorney prior to participating in discussion of the item.

Motion by Ziprick, seconded by Christman, and carried to make the findings as noted by the City Attorney and to add the item as described to the agenda to be considered during a closed session at the conclusion of the open meeting. Mayor Gaio Hansberger abstained.

Mayor Gaio Hansberger resumed the Chair.

Oral Reports/Public Participation

Stan Sewell of the Loma Linda Branch Library thanked the City Council for their April award of CDBG funds to the library, noting that funding awarded to the Counseling Center of Redlands was not claimed; therefore those funds were awarded to the Library pursuant to prior City Council action.

Scheduled and Related Items

CC-2004-062

CRA-2004-027 – Joint meeting of the City Council, Redevelopment Agency, and Budget Committee relating to the 2004-2005 fiscal year budget

Chairman Ziprick called the Redevelopment Agency meeting to order at 7:19 p.m. with all members present. All Budget Committee Members were present.

Finance Director DeAnda on behalf of City Manager Halloway and herself, thanked Staff and the Budget Committee for their efforts in preparing the proposed budget. She then presented the General Fund, the City as a whole, and the Redevelopment Agency via PowerPoint, noting that:

- 1) The estimated beginning balance of the General Fund was \$3.4 million, including a reserve of \$2 million and a capital replacement reserve of \$50,000.
- 2) Revenues and other resources were estimated to be \$12.1 million with the top five revenues being sales tax of \$2.3 million, refuse service charges of \$1.9 million, administrative charges to other funds of \$1.6 million, motor vehicle licensing fees of \$1 million and property taxes of \$722,000.
- 3) Proposed expenditures of \$11.8 million were composed of Administration \$4.3 million, Community Development \$1.2 million, Public Safety \$4.9 million and Public Works \$1.3 million.
- 4) The impact of the Governor's proposed state budget involved revenue takeaways of \$176,700 comprised of property tax of \$25,500, sales tax of \$74,000, vehicle license fees of \$77,200, as well as a "Triple Flip" of ¼ cent of the City's 1 cent sales tax portion with a promise to backfill with property taxes.
- 5) The beginning available balance for the City as a whole was estimated to be \$12.9 million.
- 6) Estimated revenues and other resources totaling \$32.7 million were comprised of the General Fund \$12.1 million, Sewer Fund \$2.3 million, Loma Linda Connected Communities Fund \$1.7 million, Water Fund \$3.9 million, Federal/State Construction Fund \$4.5 million, Capital Funds \$2.8 million and Other Special Revenue Funds \$5.4 million.
- 7) Proposed expenditures were estimated to be \$32.6 million, consisting of the General Fund \$11.8 million, Sewer Fund \$2.4 million, Loma Linda Connected Communities Fund \$1.7 million, Water Fund \$4.3 million, Federal/State Construction Fund \$4.5 million, Capital Funds \$5.8 million and other special revenue funds \$2.1 million.
- 8) The estimated beginning available balance for the Redevelopment Agency was \$6.7 million.
- 9) Estimated revenues and other resources of \$11.3 million were comprised of property tax increment \$3.5 million, loans \$2.4 million, transfers in \$1.3 million, housing in-lieu fees \$2.6 million and other sources \$1.5 million.
- 10) Proposed expenditures of \$15.4 million were comprised of \$185,900 for the Educational Relief Augmentation Fund State takeaway, capital project funds \$7.1 million, housing funds \$4.4 million, debt service funds \$3.9 million.

She concluded that the proposed budget was balanced; staff was conservative in projecting revenue and conscientious concerning proposed expenditures; pending impacts involved the State Budget and employee negotiations.

Jay Gallant, 2003-2004 Chairman of the Budget Committee introduced Jim McIntosh, the new chairman of the Budget Committee and presented the Committee's observations and recommendations as follows:

- 1) The State takeaways and uncertainty of the State budget undermined the budgetary process.
- 2) Housing development was increasing; however, the associated revenue was one-time revenue.
- 3) Capital Equipment Replacement was included in the budget as a line item; however, items purchased with the California Communities loan were not included.
- 4) The proposed budget did not account for future departmental capital requirements.
- 5) The Connected Communities Program accounted for about 5 percent of the General Fund.
- 6) Quality of life issues involved rapid expansion of residential areas, the need for a master plan for recreation and trails, as well as expanded organizational charts, particularly Public Safety.
- 7) Revenues collected for mitigating future infrastructure and capital costs should be tracked.
- 8) The Capital Equipment Replacement line item should be fully funded.
- 9) Commercial development should be in response to increased residential development.
- 10) New long-term revenue sources should be acquired
- 11) \$500,000 from available cash reserves should be transferred toward capital replacement costs.
- 12) A cost/benefit analysis of the Connected Communities Program should be conducted and a conservative approach implemented.
- 13) \$100,000 should be added to the General Fund Reserve in order to reserve working capital for three months.

Mayor Gaio Hansberger thanked Staff and the Budget Committee for their efforts. No action was taken.

The Agency Board recessed to allow completion of the City Council agenda.

CC-2004-063 – Consent Calendar

Motion by Christman, seconded by Ziprick and unanimously carried to approve the following items:

The Demands Register dated May 25, 2004 with commercial demands totaling \$6,348.55

The Demands Register dated May 25, 2004 with commercial demands totaling \$1,046,926.73 and payroll demands totaling \$160,024.34.

The Minutes of April 19 and May 11 as presented. Councilman Christman abstained regarding the May 11 minutes due to his absence from the meeting.

The April 2004 Department of Public Safety Report for filing.

The request from Big Bear City Community Services District for membership in the California Joint Powers Insurance Authority.

Installation of the water main at the One Million Gallon Reservoir by El-Co Contractors, Inc. as complete and recordation of a Notice of Completion.

The Edison Easement Trail by Golden West Landscape as complete and recordation of a Notice of Completion.

Change Order for valve replacement on the 20-inch water main at Mt. View Avenue, Dominguez General Engineering Contractor.

Creation of position/job description of Firefighter/Apprentice.

Opposition to Assembly Bill No. 2702 relating to second units revisited/housing on school sites.

New Business

CC-2004-064 – Request from Loma Linda Academy Symphonic Wind Orchestra to declare the orchestra as official ambassador of the City and for a contribution toward instrument shipping and ground transportation costs for their concert tour in Ireland

Councilman Ziprick stated that his daughter was a member of the orchestra. He declared a possible conflict of interest and left the Council Table.

Philip Binkley, Director of Bands of Loma Linda Academy, addressed the City Council, requesting that the band be declared the official ambassador of the City, plaques and letters be provided for the mayors of the

cities visited, a letter from the Mayor be included in the tour brochure, and that the City Council authorize a monetary contribution to help defray the expenses of the nine-concert tour of England and Ireland.

Doree Morgan, 26092 Bancroft Street and Valerie Gallant, 26284 Cresthaven Court, addressed the City Council, acknowledging that Loma Linda Academy for many years was the only elementary and high school educational institution in the City. She noted that the Redlands Unified School District also served Loma Linda via the Bryn Mawr Elementary School, which had a student population of 900. They expressed concern that with the growth and cultural diversity of the community, that the City and its institutions be viewed as a whole rather than declaring a private educational institution official ambassador. They then suggested that the schools compete for the opportunity, noting that Cope Middle School was currently fundraising for a trip to Ireland also.

Extensive discussion ensued.

Motion by Christman, seconded by Petersen to declare the Loma Linda Academy Symphonic Wind Orchestra as the official ambassador of the City and to contribute \$2,500 to assist in defraying the cost of the tour. Motion failed with Petersen, Brauer and Gaio Hansberger opposing.

Further discussion ensued with the suggestion that private, tax-deductible donations be made.

Motion by Brauer, seconded by Petersen and unanimously carried to declare the Loma Linda Symphonic Wind Orchestra official ambassador of the City.

Reports of Councilmen

Mayor Gaio Hansberger commented on the ribbon cutting ceremony for the Easement Trail Park, thanked the donors for their contributions, and also those who attended the ceremony.

There were no reports from Commissions, Committees, or Officers.

The City Council recessed to allow completion of the Agency Board Agenda, and reconvened at 8:29 p.m. with all members present.

CC-2004-065 - Closed Session - Conference with Legal Counsel and Real Property Negotiator (Government Code Section 54956.8)

Property:	City-owned acreage south and westerly of the prolongation of Mt. View Avenue
Negotiating Parties:	Dennis R. Hallaway, Leroy Hansberger representing H & E LaCresta, Inc.
Under Negotiation:	Price and Terms of Payment.

Mayor pro tempore Gaio Hansberger declared a possible conflict of interest and left. The City Council immediately recessed to consider the closed session item as listed, and reconvened at 9:30 p.m. with all members present except Gaio Hansberger. City Attorney Holdaway announced that the City Council heard the report and discussed the proposal. No final action was taken.

The meeting adjourned at 9:30 p.m.

Approved at the meeting of

City Clerk